



Ten Peachtree Place
Atlanta, GA 30309

404 584 4000 phone
www.aglresources.com

March 5, 2012

Mr. Jeff Jacques
Utility Coordinator
C. W. Matthews Contracting Co., Inc.
Drawer 970
Marietta, Georgia 30061

Re: CWM Job No. 1844 – SR 3/US 19 Improvements
GDOT Project No. NH000-006-04(131) and BRN00-0006-01(032) – Upson County
P. I. Nos. 322920 and 322922
AGLC – Notification of Delay (Escalation Step 1)

Dear Mr. Jacques:

Please accept this letter as a response from Atlanta Gas Light (AGL) to the Escalation Step 1 letter submitted by C. W. Matthews (CWM) on February 22, 2012. This document is meant to suit the requirements put forth by the Georgia Department of Transportation (GDOT) and to prevent further escalation steps. This reply submitted by AGL intends to address concerns with the project and provide a solution agreeable to all parties.

At the February 23rd utility meeting, it was announced that AGL had fallen behind the anticipated construction schedule and would receive an Escalation Step 1 letter from CWM. As of the date of this letter, AGL has selected and hired a second subcontractor to assist with portions of the project and expedite the assigned construction. This supplementary subcontractor reported to the jobsite on the morning of February 23rd to begin the renewal. In addition, AGL has specified that multiple crews be implemented by both pipeline contractors in order to complete the work on schedule. The gas pipeline relocation work is set to be completed on schedule, meeting the timeframe set forth by the Utility Adjustment Schedule (UAS) agreement, following the completion of dependent activities.

As discussed at the aforementioned utility meeting, AGL crews have been working diligently on the portion of main between Avera Drive and County Road, approximately stations 27+32 to 51+44. This section of main, roughly 2400 feet in length, was pigged and pressure tested over the weekend of February 25th and 26th with the expectation of being gasged up the following week. As confirmed by the correspondence dated Monday, February 27th, this portion of main did not pass the pressure test and is required to be reinstalled. The failed main has been removed and the AGL subcontractor is working this week to drill in a new section of main. Once the service renewals and tie-overs are complete, the existing

main will be retired. This main retirement will resolve any conflicts that currently exist with the roadway construction in this area of the project.

The final large portion of main to be installed is located along County Road and is awaiting relocation of a conflicting gasoline storage facility. At the meeting, AGL reiterated the fact that the high pressure steel main cannot be drilled in until this issue is resolved. These two lengthy sections, along with the service work to be completed, represent an overview of the remaining AGL construction.

As of the date of this letter, 154 (87.0%) working days have transpired since the completion of clearing and grubbing. However, these working days do not take into account "non-productive" days due to weather delays or holidays. During this period, there were seven days attributed to holidays and an additional nineteen rain days. It is the opinion of AGL that 128 usable days have passed of the 177 (72.3%) allotted by the UAS. Following the timeline outlined in the CWM letter dated February 22nd, while taking into account weather delays and holidays, it is the belief of AGL that there are 49 days remaining within the limits of the approved UAS. By this belief, the anticipated conclusion date of AGL's construction is June 6th of 2012. It is our contention that AGL will complete the relocation of facilities within the time frame (177 days) of the accepted UAS and work plan. The only exceptions to the specified completion date are due to weather days and previously mentioned dependent activities such as the gasoline storage facility conflict removal.

At the present time, AGL has been working quickly to remedy the overdue status of the gas facility relocation. AGL believes that the expedited schedule will alleviate any accrued delays and result in an on time completion of the gas facility relocation.

I appreciate the opportunity to address the stated concerns and respond within a timely manner. Please feel free to contact me in reference to any comments declared within this statement or relating to the project at hand. Thank you.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Carl Pearson', is written over a horizontal line.

Carl Pearson, PE
Manager
AGLC & CGC – Engineering Design

cc: Kerry Gore e-mail
Steve Wassell e-mail
Kelly Keevan e-mail
Jeff Jacques e-mail & hard copy